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Automotive

NEWSPAPER

JUNE 1, 1992

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late news

Europe dealers win reprieve

The European Commission said last Friday that new-car dealers in the 12-nation European Community will be able to sell cars not fitted with catalytic converters for a "reasonable" period after Jan. 1.

A new directive requires that all cars sold in the community after that date have catalytic converters. Manufacturers had been concerned about what would happen to cars shipped, but not sold, by Jan. 1.

As written, the regulation would have forced makers and/or dealers to absorb the cost of any cars that remained unsold by the deadline.

— Diana T. Kurylko

Dealer charged in GMAC fraud

BROOKLYN, N.Y. — A federal grand jury last week charged Long Island dealer

see LATE NEWS, 2

U.S. claws back

Lutz sees Big 3 regaining 1-3 points a year from Japan

MARY CONNELLY
Staff Reporter

U.S. automakers will "claw" one to three percentage points of car and truck market share away from Japanese makes each year through the mid 1990s, predicts Chrysler Corp. President Robert Lutz.

Rising costs for the Japanese and a narrowing product-quality gap between U.S. and Japanese vehicles will propel the domestic resurgence, Lutz said.

A Big 3 gain of two points a year for the next three years would reduce the Japanese share of the U.S. car and light-truck market to less than 20 percent by 1995. Japanese makes took 25.7 percent of the U.S. market in 1991.

Chrysler will use recent price hikes by Japanese vehicle makers to gain market share, Lutz said.

But while maintaining that Chrysler will not hike prices because the Japanese have done so, Lutz said the Big 3 are likely to raise prices slightly in the 1993 model year because of rising costs.

"We do not consider the Japanese raising their prices as an umbrella that is going to permit us to improve our per-unit margins," Lutz said. "We view this frankly as an opportunity to regain market share."

Nonetheless, the Big 3 are unlikely to break the long-standing tradition of price increases at the start of a new model year.

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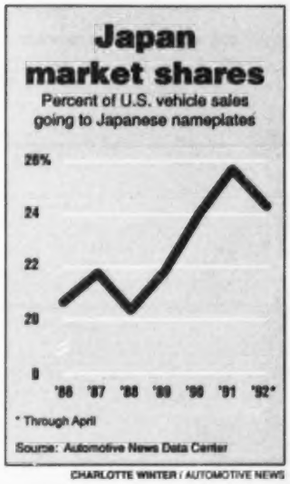

CHARLOTTE WHITER / AUTOMOTIVE NEWS

PHIL MATT

Tom Dioguardi, once a Jeep-Eagle dealer in Rochester, N.Y., now spends his time selling used cars since Chrysler Credit liquidated his dealership.

OUT OF TRUST

Dealers' woes grow hellish when they cross the lender

CHARLES M. THOMAS
Staff Reporter

For car dealers who get out of trust with their lenders, business can become a nightmare of cut-off credit, the end of payments from the automaker and an inability to order new vehicles.

When a dealer fails to pay off a lender for sold vehicles, that dealer is out of trust — and in danger of losing everything.

In the last three years, Chrysler Credit Corp. has sued 38 dealers who were out of trust — a tiny fraction of Chrysler's 5,000 dealers. Those out-of-trust dealers include several Jeep-Eagle dealers who are now in bankruptcy or are out of business and who have countersued Chrysler Credit.

These Jeep-Eagle dealers now see Chrysler Credit as the bogeyman that drove them out.

The recession and mistakes contributed to the failure of the dealers. But the problems grew when they fell out of trust with Chrysler Credit — a serious breach of their finance agreement.

Now, some of the dealers who have sued are asserting that they were victims of a plan by Chrysler Corp. to consolidate brands.

"Chrysler Credit can act in a regulatory vacuum and do the dirty work of Chrysler Corp.," says Eugene Isaak, an attorney with the Boston-based law firm Lawson & Weitzen, representing one of the bankrupt dealerships. "State and federal laws don't address termination by a manufacturer's lending arm."

E. Thomas Pappert, Chrysler Corp. sales vice president, calls allegations of a plan to eliminate dealers "ludicrous and groundless."

"We don't want to comment on existing litigation, but there is no plan or attempt to conspire to do anything," he said.

Chrysler officials say dealers who did sales out of trust have no one to blame but themselves.

And not all the dealers' allegations against Chrysler Credit have held up. Last November, B.P.G. Autoland Jeep-Eagle, a Connecticut dealership, obtained a preliminary injunction from U.S. District Court in Massachusetts to stop Chrysler Credit from placing the dealership on credit hold.

But in March the judge lifted the injunction, saying that the dealership was irresponsible or even misrepresented some facts.

Once out of trust, the dealers say they were placed on finance hold, which meant they couldn't order vehicles.

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DEALERS CAUGHT IN CRUNCH
Store becomes nightmare ➤ 16
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Big 3 plan consortium for emissions

MARY CONNELLY
Staff Reporter

The Big 3 are expected to announce a new "breakthrough" consortium June 8, aimed at developing joint technology to reduce vehicle emissions.

It will be the ninth Big 3 consortium formed since 1988. The cooperative ventures are designed to help cut costs of technology development.

The emissions consortium is viewed as a high-profile, significant development in Big 3 cooperation because it deals with a core industry issue that could significantly affect competitiveness.

Also June 8, General Motors, Ford Motor Co. and Chrysler Corp. are expected to announce the formation of USCAR, an administrative umbrella for all the Big 3's consortia activities. The organization, which will monitor consortia activities, will be headquartered in Dearborn near Ford's headquarters, according to sources familiar with the plans.

Separately, Chrysler Corp. President Robert Lutz said the Big 3 formed a joint venture to do competitive off-shore vehicle teardowns. A teardown involves dissembling a vehicle for competitive analysis.

"We now have a jointly owned and managed organization that does one tear down, and we will all have access to it," Lutz said.

"Why should each of us go out

see LINKUPS, 42

Big 3 gain, but Japan still leads in quality

KRISTINE STIVEN BREESE
Staff Reporter

LOS ANGELES — Although the Big 3 have made marked strides in product quality, they are still looking up at the Japanese.

Domestic makes made an 8 percent gain in the 1992 model year — and Saturn cracked the top 10 — but the Japanese climbed to new heights, according to the latest Initial Quality Study from J.D. Power and Associates.

The average Japanese make had 105 problems per 100 cars, down from 112 last year. Toyota models, as usual, ruled many segments, including four of five in light trucks. The Big 3 score was 136, down from 148 last year.

The J.D. Power IQS survey is widely recognized, but it's not the only one telling the quality story. Other Power studies and other independent sources all support domestic industry claims that their product quality — loosely defined as reliability and dependability — has improved. But they also illustrate how tough it will be to catch up when the leaders constantly advance.

Some trends:

■ Cars keep getting better. According to Power's IQS survey, the industry average — measured by problems per 100 vehicles reported in the first 90 days of ownership — dropped from 133 to 125 this year. When Power began the current version of its survey in 1987, the industry average was 166.

Power's Customer Satisfaction Index rose 22 percent from 1987 to 1991. About one-fourth of that survey deals with product reliability.

Consumer Reports also uses a defects-per-100 yardstick. Its re-

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Automotive News

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Truck sales climb 10.2%, but cars dip 2.3% in period. PAGE 6

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YUMMY YAMAHA

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Circulation Department
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Outside Michigan 1-800-678-9595
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Display Ad Department ..... (313) 446-6000
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correction

A May 18 story on Page 16 overstated April sales of Mercedes-Benz S-class cars. The correct figure was 1,935, about 43 percent above the year-ago month. The same story also overstated the reach of Mercedes' Win-Win lease program. The program does not include the 500E, 600SEL, 300SL and 500SL.

HANS G. LEHMANN/HIDDEN IMAGE

Supra surprise

The new Toyota Supra is expected to be unveiled next February. This artist's rendering, based on spy photos of prototypes, shows a low-sloping hood; low ground clearance; and a high, integrated tail spoiler. The top version is expected to be powered by a turbocharged dual overhead cam 3.0-liter inline six-cylinder with an estimated top speed of 186 mph. The engine will be mated to either a six-speed manual or four-speed automatic transmission.

latenews

CONTINUED *from* PAGE 1

John McNamara and unnamed accomplices with racketeering in the General Motors Acceptance Corp. fraud case.

The grand jury charged McNamara and "others employed by and associated with" McNamara Buick-Pontiac Inc. in Port Jefferson Station, N.Y.

The case got another twist last week when *Newsday* reported that McNamara had cooperated with investigators probing his relationship with local government officials. McNamara's attorney, Allen Schwartz, would not comment on the story.

GMAC expects to lose $171 million in loans for vehicles that existed only on paper. McNamara forfeited more than $400 million in assets to settle the government's civil charges in the case. The grand jury said that from 1985 through December 1991, GMAC advanced McNamara more than $6.25 billion in short-term loans. He repaid about $5.8 billion.

— Jim Henry

Ford wins Keystone suit

DETROIT — Keystone Automotive Industries of Pomona, Calif., agreed to pay Ford Motor Co. $1.8 million to settle a lawsuit involving false ad claims for crash parts.

In the suit, filed by Ford in 1987, the U.S. District Court found that Keystone knowingly misrepresented the quality of the aftermarket crash parts it distributes for Ford vehicles.

Keystone, the largest U.S. distributor of aftermarket crash parts, which are copied from original equipment, is also required to place corrective ads and include disclaimers in its promotions.

The ads and disclaimers will state that Keystone crash parts do not meet Ford manufacturing specifications for fit, finish, weight and overall quality; are not of "like kind and quality" as Ford's parts; may require substantial refitting for installation; are not subject to any independent quality control program; may corrode at a faster rate than Ford parts; and are not covered by Ford's vehicle warranty.

GM delays credit card plan

DETROIT — General Motors delayed introduction of its long-awaited MasterCard program, probably until next year, according to *Advertising Age*, a sister publication to *Automotive News*.

GM also has pulled the card's estimated $40 million direct marketing account from McCann Direct, a subsidiary of McCann-Erickson Worldwide in New York.

The MasterCard program is expected to offer card holders credits toward discounts on car servicing and new-vehicle purchases. The card was to have been offered through Bank One, but also have GM's name on it.

— Crain News Service

Truck Group aids fuels study

WASHINGTON — The U.S. Department of Energy will study the impact of alterative fuels on the trucking industry in conjunction with the American Trucking Associations' Foundation.

The Department of Energy's National Renewable Energy Laboratory awarded the Foundation's Trucking Research Institute a half-million dollar subcontract for the initial phase of the study.

The Research Institute will manage real-life demonstration projects involving alternate-fueled heavy trucks and will collect data on other on-the-road demonstration projects, which it will send to the Alternative Fuels Data Center.

Another pitch for canisters

WASHINGTON — The Natural Resources Defense Council, the American Petroleum Institute and an assortment of Virginia gas stations and jobbers want the EPA to force automakers to install vapor recovery canisters on vehicles.

The petitioners failed to get a Richmond, Va., court to take the message to the EPA. They now have gone to the U.S. Court of Appeals for the District of Columbia Circuit. They argue the 1990 Clean Air Act ordered EPA to issue the canister rule by last November.

The EPA has favored vapor recovery canisters on vehicles instead of devices installed on gas pumps. But automakers and the National Highway Traffic Safety Administration say they are a safety hazard. Earlier this year, the Bush administration ordered the EPA to drop the on-board canister requirements.

— Helen Kahn

Pontiac, Olds recall minivans

DETROIT — General Motors is recalling about 113,000 1990 and 1991 Pontiac Trans Sport and Oldsmobile Silhouette minivans to replace upper instrument panel glove box doors.

GM said the glove box door may not stay closed during an accident, increasing the chances for injury.

The Chevrolet Lumina APV is not involved in the recall because it uses a different glove box door design.

GM, Baltic firm OK Chevy deal

DETROIT — General Motors says it will sell Chevrolet cars and trucks through a distributor in Estonia, its first marketing of North American-built vehicles in the Baltic states.

The deal with Balt Motors in Tallin, Estonia, will involve about 200 vehicles this year with plans uncertain for 1993 and beyond. GM said it will train mechanics to service the vehicles, which go on sale in midsummer.

The Chevrolet Cavaliers, Suburbans, Blazers and pickups will join Opel cars as the second line Balt will handle.

GM said it expects to soon sign more dealer agreements in the Baltics and in other new states of the former Soviet Union.

— The Associated Press

briefly

Lutz' choice for top job? Eaton

It's no secret that **Chrysler** Corp. President Bob Lutz wanted Lee Iacocca's chairman job. But in March Lutz lost out to **General Motors Europe** exec Bob Eaton. Now Lutz, who is looking more relaxed and healthy than he has for years, is casting his own vote for Eaton. "If I had been a voting board member I might well have brought myself to vote for Bob Eaton instead of myself," Lutz said last week. "He brings all the qualities to this company that are needed over the next 10 to 12 years."

Eaton: Now it's unanimous

BACK TO SCHOOL — Now that we've learned to pronounce *Fahrvergnugen*, **Isuzu Trucks of America Inc.** offers a lesson on the Japanese vehicle maker's name. How do you pronounce it? "EE-SUE-ZOO," asserts the firm's in-house magazine. Isuzu, by the way, means "50 bells."

NADA SPECIAL — The latest issue of *Automotive Executive*, the National Automobile Dealers Association's publication for dealers, is a 75th anniversary special representing a year's research into the association's history. Pioneer dealers met in Washington in 1917 to fight a 5 percent luxury tax on cars. They were effective. Cars were excluded, and the luxury tax was lowered to 3 percent.

LOCK AND UNLOAD — The National Insurance Crime Bureau says car thefts were up 2 percent during recession year 1991, which means about 1.7 million were stolen. No word on how many vanished from dealerships. The bureau estimates that 13 percent of the stolen cars had the keys inside, so lock up. Leave no valuables in view. And turn front wheels sharply into the curb to foil the 10 percent of thieves who used tow rigs.

ESPECIALLY IN RED — The first 40 sales last week at the first **GM** dealership in Moscow give some clues to the post-Communist Russian character. Practical Russians made the **Chevrolet** Caprice (just over $23,000) the No. 1 seller. "They like it for its value," says Jim Lyle, leader of the American investors in the showroom at No. 1 Puskin Square. And yes, a few capitalistic Russians have bought **Cadillac** Sevilles. But when it comes to minivans, Russians are rebels, choosing the **Pontiac** Trans Sport over the Chevrolet Astro 8 units to 3. Says Lyle: "They like the radical styling."

RACE SUNDAY, SELL MONDAY — The American Methanol Institute timed its press release to arrive with the hoopla from Indianapolis. It noted that U.S. automakers are starting to sell cars that run on methanol, "the only fuel used by Indy 500 race cars since 1964." The release mentions performance, environmental benefits and safety, but it doesn't mention the extra pit stops required by methanol vehicles.

BRIGHT IDEA? Inventor Harris Davis of Rains, S.C., wants whitewall tires to come back as fluorescents. Makes it safer to drive at night, he says. Two decades ago, Goodyear tried the idea on bicycle tires, but they were not a commercial success.

Mid-May sales mixed: trucks rise, cars fall

JIM HENRY
Staff Reporter

Light trucks continued to lead a rocky recovery in mid-May, with sales climbing 10.2 percent above a disappointing year-ago period. But car sales fell 2.3 percent, so the industry car and truck total topped the year-ago figure by only 2.1 percent.

Those percentages are based on daily selling rates. Mid-May's 403,525 sales were actually 14.9 percent better than last year. But the May 11-20 period had nine selling days this year and eight a year ago. All comparisons in this article are based on the daily selling rate.

General Motors' sales rose 1.8 percent, spurred by a 6.5 percent improvement in light trucks. Ford Motor Co. climbed 12.2 percent, with trucks jumping 16.0 percent.

Automotive News estimates Chrysler Corp. was up 7.9 percent, with its light trucks shooting up more than 25 percent. Chrysler refuses to disclose 10-day sales; it reports deliveries on only a monthly basis.

From May 11 to 20, sales dipped 15.5 percent for American Honda Motor Co. Inc., and Nissan Motor Corp. in U.S.A. dropped 9.4 percent.

Sales climbed 3.2 percent for Toyota Motor Sales U.S.A. Inc., including a 2.6 percent gain in light trucks. *Automotive News* estimates sales of other importers.

Last year, a much-ballyhooed spring-summer sales recovery turned out to be a flash in the pan that fizzled by the end of July. This year, forecasters say the recovery should last longer. They point to improved consumer confidence, pent-up demand for autos following poor 1991 sales and the fact the government has made improving the economy a top priority.

"Roughly, at this time last year, few people in Washington — at least in the executive branch or in the Fed — were focused on the need to improve the economy, and interest rates were higher," said Philip Fricke, auto industry analyst for Prudential-Bache Securities Inc. in New York.

He said 1991 sales were more than 2 million units short of totals predicted by economic models.

"That in and of itself does not imply that there's got to be a correction in the short term, but it does suggest where the forces of correction are building," he said.

Through April, car and truck sales were up 198,246 units, or 5.1 percent, over 1991.

Meanwhile, the Conference Board reported that its consumer confidence index for May was 71.6, up 6.5 points from April. (The base year of the index is 1985.) About 7.4 percent of the respondents said they plan to purchase an automobile in the next six months, a gain of almost 1 percentage point from the previous month.

"This is the third consecutive month in which consumer confidence has registered a smart gain. This consistent improvement in sentiment appears to leave little doubt that the economy is at long last recovering," said Fabian Linden, executive director of the Conference Board's Consumer Research Center.

Nevertheless, some regions, such as the Northeast, continue to lag.

"We have a tremendous number of out-of-work people in this area," said Gregory Stewart, chief executive of Buick of Westwood (N.J.). Stewart said he managed to "just about double" sales by switching to a one-price approach in February.

But he said floor traffic is still depressed, and unemployment seems to be rising.

"I advertised for a service adviser, and you wouldn't believe how overqualified some of the applicants have been," he said. "They're willing to take not just a step down, but a whole flight of stairs down."

10-DAY CAR AND TRUCK SALES, BY MAKE

	May 11-20, 1992	May 11-20, 1991
ALFA ROMEO (imp. car)*	**116**	**135**
Acura (imp. car)	**3,898**	**3,847**
Domestic car	12,732	14,173
Imported car	4,916	4,634
Honda	**17,648**	**18,807**
AMERICAN HONDA	**21,546**	**22,654**
ASTON MARTIN (imp. car)*	**2**	**2**
BMW (imp. car)*	**1,721**	**1,473**
Domestic car*	3,080	3,149
Imported car*	0	33
Domestic truck*	164	116
Chrysler Division*	**3,244**	**3,298**
Domestic car*	8,673	8,869
Imported car*	883	1,050
Domestic truck*	18,598	13,154
Imported truck*	118	113
Dodge*	**28,272**	**23,186**
Domestic car*	903	923
Imported car*	394	232
Eagle*	**1,297**	**1,155**
Domestic truck*	7,183	5,081
Jeep*	**7,183**	**5,081**
Domestic car*	5,045	5,159
Imported car*	509	442
Domestic truck*	6,855	4,849
Plymouth*	**12,409**	**10,450**
Domestic car*	17,700	18,100
Imported car*	1,787	1,757
Domestic truck*	32,800	23,200
Imported truck*	118	113
CHRYSLER CORP.*	**52,485**	**43,169**
Imported car*	201	172
Imported truck*	114	95
DAIHATSU*	**314**	**268**
FERRARI (imp. car)*	**24**	**24**
Domestic car	38,409	27,331
Imported car	815	1,078
Domestic truck	45,739	35,047
Ford Division	**84,963**	**63,456**
Domestic car	4,096	5,302
Lincoln	**4,096**	**5,302**
Domestic car	10,584	9,765
Imported car	1,343	1,515
Mercury	**11,927**	**11,280**
Domestic car	53,089	42,398
Imported car	2,158	2,593
Domestic truck	45,739	35,047
FORD MOTOR CO.	**100,986**	**80,038**
Domestic car	16,590	14,811
Buick	**16,590**	**14,811**
Domestic car	6,083	5,390
Cadillac	**6,083**	**5,390**
Domestic car	33,218	33,603
Imported car	2,586	3,283
Domestic truck	39,160	33,070
Imported truck	110	46
Chevrolet	**75,074**	**70,002**
GMC	**10,669**	**8,732**
Domestic car	12,722	11,038
Domestic truck	776	761
Oldsmobile	**13,498**	**11,799**
Domestic car	18,669	15,627
Imported car	601	1,607
Domestic truck	1,185	670
Pontiac	**20,455**	**17,904**
Domestic car	7,041	1,843
Saturn	**7,041**	**1,843**
Domestic car	94,323	82,312
Imported car	3,187	4,890
Domestic truck	51,790	43,233
Imported truck	110	46
GENERAL MOTORS	**149,410**	**138,481**
HYUNDAI*†	**3,131**	**2,762**
Imported car*	372	385
Domestic truck	1,736	1,198
Imported truck*	2,112	2,459
ISUZU*	**4,220**	**4,043**
JAGUAR (imp. car)*	**248**	**243**
LAMBORGHINI (imp. car)*	**4**	**4**
LOTUS (imp. car)*	**8**	**8**
MASERATI (imp. car)*	**6**	**8**
Domestic car	1,357	904
Imported car*	6,787	4,298
Domestic truck	213	203
Imported truck*	2,363	2,577
MAZDA*	**10,720**	**7,982**
MERCEDES-BENZ (imp. car)*	**1,877**	**1,613**
Domestic car	1,694	1,164
Imported car*	1,549	2,529
Imported truck*	582	751
MITSUBISHI*	**3,825**	**4,444**
Infiniti	**995**	**739**
Domestic car	3,327	3,287
Imported car*	6,176	6,213
Domestic truck	3,220	3,359
Imported truck*	4,551	4,330
Nissan*	**17,274**	**17,189**
NISSAN MOTOR CORP.	**18,268**	**17,927**
PEUGEOT (imp. car)*	**10**	**135**
PORSCHE (imp. car)*	**88**	**137**
RANGE ROVER (imp. truck)*	**91**	**75**
ROLLS/BENTLEY (imp. car)*	**7**	**7**
SAAB (imp. car)*	**775**	**1,294**
STERLING (imp. car)*	**0**	**91**
Domestic car	1,287	1,051
Imported car*	1,034	1,785
SUBARU*	**2,321**	**2,836**
Imported car	130	87
Imported truck	419	477
SUZUKI†	**549**	**564**
Lexus (imp. car)	**1,983**	**1,324**
Domestic car	9,897	6,207
Imported car	8,645	10,104
Domestic truck	1257	0
Imported truck	5,773	6,090
Toyota	**25,572**	**22,401**
TOYOTA MOTOR SALES	**27,555**	**23,725**
Audi (imp. car)*	**383**	**315**
Imported car*	1,604	2,590
Imported truck*	20	152
Volkswagen*	**1,625**	**2,741**
VWoA*	**2,008**	**3,056**
VOLVO*†	**1,289**	**2,151**
YUGO (imp. car)*	**0**	**38**
Domestic car	**195,406**	**169,596**
Imported car	**55,111**	**58,294**
TOTAL CAR	**250,517**	**227,890**
Domestic truck	**136,755**	**106,248**
Imported truck	**16,253**	**17,165**
TOTAL TRUCK	**153,008**	**123,404**
TOTAL CAR & TRK.	**403,525**	**351,294**

*Estimated †Breakdown of North American built and imported car sales not available.
There were 9 selling days in the period this year and 8 last year.

Lease plans aim at cash buyer

KATHY JACKSON
Staff Reporter

Ford Motor Co. and General Motors have developed new lease programs aimed at customers who pay cash for their cars. Most are retirees.

Under both programs, the lease customer does not have a monthly payment. Instead, the customer makes only one payment, at the beginning of the term, which cuts the cost of the lease in some cases by as much as 14 percent during the term of the lease.

Dealers can structure the lease plans according to customers' needs.

Leigh Jackson, owner of Libertyville Lincoln-Mercury in Libertyville, Ill., provided the following example. A cash-paying customer might have to plunk down $30,000 for a luxury car. But to lease that same vehicle for 24 or 36 months might cost him only $15,000. By leasing, the customer keeps $15,000. He also saves 10 to 14 percent over the course of this lease compared with a conventional lease.

The value of the vehicle at the end of the lease is guaranteed by Ford. The customer also has the option to buy the vehicle any time during the lease period at a guaranteed price.

"You have the convenience of not tying up all your money at once," Jackson said. "You also get the convenience of no payments and protection against the resale value."

In May, Ford took its program national after a five-month test in parts of the Southeast, West, Midwest and Long Island, N.Y. Jackson said about 20 percent of his lease customers used the Red Carpet Advanced Purchase Plan while he was part of the test program.

GM is testing a program in Florida and may expand it to California and Arizona, said George Reganis, assistant director of retail leasing for General Motors Acceptance Corp. GM's program is administered by Capital Corp., a Salt Lake City bank owned by GMAC.

Like Ford's program, the target is the customer who pays cash. With a $30,000 vehicle, the GM lessee sends $15,000 to Capital and retains $15,000. Capital makes the monthly payments to the local GMAC office and pays interest on the balance, quarterly, to the lessee until the lease period expires.

Ford gives its credit up front, Reganis said.

GM, however, gives its credit in quarterly interest payments; it guarantees the future value of the vehicle. Reganis said about 15 percent of the lease customers in Florida used the one-payment system since its inception last September.

"Today, you must be customer driven," he said. "The potential customers are retirees."

Cash-paying customers are out there. Arthur Spinella, director of automotive research at CNW Marketing Research in Bandon, Ore., said about 10 percent of car buyers pay cash. About 3 percent use the one-payment lease concept, which some dealers have been offering on their own, he added.

Spinella projects that the one-payment lease market eventually will account for 8 to 10 percent of individual leasing programs.

Ford kills early-order allowance to rental fleets

CHARLES M. THOMAS
Staff Reporter

Ford Motor Co. is removing still more of the subsidies it has provided on vehicles sold to daily-rental fleets.

Ford will eliminate "fast-start" allowances of hundreds of dollars each on 1993-model program vehicles — something car dealers have advocated for years.

Other automakers may follow suit.

The change should improve Ford's profits and push up rental prices to consumers.

Under "fast-start," daily rental companies are rewarded by automakers for ordering vehicles early. Rental companies can get $400 or more for every unit ordered before a specified date.

The incentive program has given factories an idea of vehicle requirements for daily rental companies.

Ford told daily rental companies that it would continue buying back all rental vehicles for the 1993 model year. The automaker will continue to require daily rental companies to keep units in service at least six months and not more than 12 months.

Daily rental companies in tourist states like Florida and Colorado must pay if they turn in cars sooner. Ford penalizes rental companies $100 per vehicle turned in after four to five months in service and $50 per vehicle turned in after five to six months in service.

In the last year, the Big 3 have been reducing their sales of the unprofitable daily-rental program cars.

General Motors has not announced its 1993 fleet incentive program for daily rental companies, but the company stresses that it wants to "improve the profitability of its daily rental fleets."

A GM spokesman said the No 1 automaker also is considering whether to lengthen the service time of daily rental units. For 1992 models, the range was six to 15 months, with a cap of 40,000 miles.

For years, the National Automobile Dealers Association has asked automakers to halt fast-start incentives, arguing that the practice allows rental companies to buy cars from the manufacturer cheaper than dealers can.

And when daily rental companies sold the vehicles on their used-car lots, fast-start incentives gave them a price advantage over dealers.

But Richard Strauss, NADA president and owner of Dick Strauss Ford-Isuzu-Suzuki in Richmond, Va., said Ford's elimination of fast-start allowances is less important to dealers now than it was three years ago.

"It's more symbolic for dealers than anything else," said Strauss, "now that the factories are purchasing 100 percent of the program cars."

Kia, Indonesian firm OK kit-assembly deal

SEOUL — Kia Motors Corp. said last week it has signed an agreement to supply 10,000 light-truck and van kits a year to Indonesia's Udatinda Group.

Udatinda, which recently ended an assembly relationship with General Motors-Holden's of Australia, will begin assembling Kia's Besta vans and Ceres multipurpose trucks at the end of this year.

Value of the agreement was not disclosed, but Kia said the program eventually will be expanded to include its Pride/Festiva and Capital passenger cars. Kia will not invest in the venture at first, but has the option of acquiring a share in the future, a spokesman said.

Kia has aggressively pursued kit-assembly business. The company is negotiating deals in Iran and Vietnam and recently signed agreements in Taiwan and in the Philippines.

— Oles Gadacz

RECREATIONAL VEHICLE WHOLESALE DELIVERIES

	Mar. 1992	Mar. 1991	% change	3 mos. 1992	3 mos. 1991	% change
Travel trailers	5,700	4,500	+ 26.7	14,700	10,900	+ 34.9
Park Trailers	600	500	+ 20.0	1,700	1,400	+ 21.4
Travel trailers-fifth wheel	3,700	2,300	+ 60.9	9,700	6,000	+ 61.7
Folding camping trailers	3,900	2,900	+ 34.5	10,300	7,700	+ 33.8
Truck campers	1,000	900	+ 11.1	2,600	2,000	+ 30.0
Towable RV total	**14,900**	**11,100**	**+ 34.2**	**39,000**	**28,000**	**+ 39.3**
Conventional (type A)	2,700	2,100	+ 28.6	7,000	4,900	+ 42.9
Van Campers (type B)	300	300	0.0	700	900	- 22.2
Chopped vans (all)	1,800	1,300	+ 38.5	4,300	3,100	+ 38.7
Motor home total	**4,800**	**3,700**	**+ 29.7**	**12,000**	**8,900**	**+ 34.8**
Van conversions	16,900	9,800	+ 72.4	47,700	21,500	+ 121.9
TOTAL ALL RVs	**36,600**	**24,600**	**+ 48.8**	**98,700**	**58,400**	**+ 69.0**

Source: Recreation Vehicle Industry Association

Van dealers grow cautious

The torrid pace of wholesale van conversion shipments may be headed for a slowdown, as dealers wait for retail sales to catch up.

Dealers have a good supply of van conversion inventory for the summer months, according to Detroit officials.

But "we are seeing a little more cautiousness in the marketplace," said Jerome Mittman, Ford Division RV sales manager.

Ford hasn't seen a significant letup in ordering from its consignment pool accounts yet. But the possibility exists if the retail market doesn't strengthen further, Mittman said.

Ford dealers also may be ordering more cautiously since the company dropped the extended free floorplanning it had been offering on conversion units earlier this year.

The most recent data available from the Recreation Vehicle Industry Association in Reston, Va., indicates the torrid pace at which the wholesale market has been running.

March shipments from converters to dealers totaled 16,900 vans, up 72.4 percent from a year ago. It was the third straight month of increases.

First-quarter shipments, totaling 47,700 units, were up 121.9 percent from like 1991, according to RVIA.

Van chassis shipments by Detroit's Big 3 to converters, portending future deliveries, also rose sharply, according to RVIA.

Detroit manufacturers shipped a total of 17,200 compact and full-sized van chassis to converters in March and 54,700 during the first quarter. That is up from 10,700 and 17,200, respectively, from the year-ago month.

— Joseph Bohn

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in brief

RECREATIONAL VEHICLES

Degnan named head of GMC RVs

Mark Degnan, former assistant special vehicle sales manager at GMC Truck, has taken over as manager of the department that handles RVs, van conversions and light commercial vehicles.

Keith Ball, former manager of the department, has returned to the division's truck operations as medium-duty sales executive.

Mark III chairman has fatal attack

OCALA, Fla. — Officials from Detroit's Big 3 flew to Florida last Tuesday to pay their respects to R.T. Boyd Jr., 45, chairman of Mark III Industries, who died of a massive heart attack May 24.

Boyd Jr.'s funeral was held at First Assembly of God church in Ocala on May 27.

Boyd Jr. started his van conversion company in July 1978 as a sideline to producing mobile homes. By 1982, he sold the mobile home business to devote himself exclusively to van conversions.

Mark III quickly became the industry's largest van converter. It expects to sell about 44,000 vans this year. It has grown from a 10-employee company to one employing 1,598 people in Ocala, according to Charles Dority, Mark III's president.

Dority will continue to run the company in conjunction with Thad Boyd III, the company's chief executive officer.

Boyd Jr. is survived by his wife Sally and four children.

Spartan chassis uses GM diesel

CHARLOTTE, Mich. — Spartan Motors Co. is using General Motors' 6.5-liter turbodiesel and four-speed electronic automatic transmission to create a new rear engine-powered chassis for RV manufacturers.

Spartan's new EC1K chassis will be offered on a limited basis beginning this summer and go into full production later this fall, according to company spokesman Bill Fuesz.

The chassis has a base 12,000-pound gross vehicle weight rating and can be upgraded to 16,000-pound rating. It is available on 145-, 172- and 190-inch wheelbases.

The company expects to produce about 4,000 chassis annually on a two-shift basis once production gets into full swing.

Custom Craft names officials

MILWAUKEE — Custom Craft Vehicles Inc., which converts Chevrolet and GMC vans, pickups and sport-utilities, appointed two new sales managers.

Peter Levas and Bob O' Neill, both formerly with C.T.I. Inc. in Lake Geneva, Wis., assumed new positions at Custom Craft. Levas is sales manager for the Eastern United States, and O'Neill is regional sales manager for the same region.

Bank considers special financing for conversions

JOSEPH BOHN
Truck Editor

The quality of van conversion customers has gotten the attention of Chemical Bank in New York, which is studying a national program of special low annual percentage rate financing and long-term contracts for van conversion customers.

Robert McAllister, assistant vice president of Chemical's Indirect Lending Department, said he has put together a proposal for such a plan and will present it soon to the bank's senior management.

Chemical Bank's Chemical Financial Services is a member of the Recreation Vehicle Industry Association in Reston, Va., and offers special finance terms to motor home and other RV buyers. But the bank currently has no special rates or extended terms for van conversion buyers. Neither do other banks in New York, McAllister said.

"You're talking about good, solid people. The kind we want to do financing for," he said. He compared them to luxury car buyers.

"Somebody really missed the boat on this," he added.

Van conversions account for about 50 percent of the RV market and add up to an annual market worth several billion dollars, according RVIA.

Chemical Bank, like many other banks, offers standard rate auto loans to conversion buyers with maximum 60-month terms.

McAllister wants to offer van conversion buyers a lower rate — under 8 percent — and maximum financing terms of 72 to 84 months.

Dealers welcome the bank's interest.

Skip Anderson, sales manager for Varsity Ford in Ann Arbor, Mich., said "It's a good market. We sell lots of these vans. Competition makes makes everybody keener."

> "Somebody really missed the boat on this."
>
> **ROBERT McALLISTER**
> CHEMICAL BANK OF NEW YORK

Similarly, Dave Arbogast, general manager of Paul Sherry Chevrolet and Paul Sherry Chrysler-Plymouth-Dodge, both in Piqua, Ohio, said better terms would help dealers sell more.

Arbogast said banks currently are charging higher rates on longer-term contracts to offset the risks on extended finance terms.

"The consumer ends up paying for the higher rate," Arbogast said.

But used-vehicle guidebooks show that van conversions retain a much higher percentage of their value over time than do cars, and banks may be charging an unnecessary premium for extended financing.

Meanwhile, retail sales of van conversions are up sharply during the first four months of this year, according to Motor Vehicle Manufacturers Association sales data.

The industry is running at a seasonally adjusted annual selling rate of nearly 170,000 units, up 35,000 from total van conversion sales last year.

Jerry Mittman, Ford Division RV sales manager, said the company's April retail sales through pool accounts are up 100 percent from last year. Pools account for 90 percent of Ford's volume.

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Sales edge upward in Mexico

MEXICO CITY -- New-vehicle sales in Mexico rose again in April, despite double-digit declines by three of the nation's five carmakers.

Overall sales for the five companies rose 2.5 percent in April. Both cars and trucks were up.

The increase came on the heels of a 52 percent increase in car sales in March, inspired largely by a change in tax rules.

Chrysler, which last year at this time was at the bottom of the Mexican sales standings, now ranks second. Its sales rose 47.8 percent in April and were up 31.8 percent for the year.

Industry leader Volkswagen dropped 14.1 percent in April, while Nissan and Ford posted slightly smaller declines. Still, all three are ahead of last year's sales.

Sales by separate truck firms, which account for a small portion of total industry sales, were up 42.8 percent in April.

The Big Five also continued their surge in production. Output, including export production, rose 7.7 percent in April.

For the year, their production was up 22.5 percent.

MEXICO CAR AND TRUCK SALES

	April 1992	April 1991	4 mos. 1992	4 mos. 1991
Cars	7,275	4,888	27,759	17,641
Trucks	4,554	2,965	16,927	16,005
Imports	24	165	318	497
CHRYSLER	**11,853**	**8,018**	**45,004**	**34,143**
Cars	4,957	5,460	20,759	20,159
Trucks	4,761	5,400	20,251	19,249
Imports	0	171	0	1,574
FORD	**9,718**	**11,031**	**41,010**	**40,982**
Cars	5,548	3,699	18,095	13,154
Trucks	6,543	6,060	23,708	22,407
Imports	151	719	1,439	1,987
GM	**12,242**	**10,478**	**43,242**	**37,548**
Cars	6,490	7,277	28,867	27,353
Trucks	2,360	2,959	11,385	11,192
Imports	150	7	896	655
NISSAN	**9,000**	**10,243**	**41,148**	**39,200**
Cars	9,792	11,514	52,728	46,519
Trucks	767	772	4,468	3,367
Imports	0	0	2	53
VOLKSWAGEN	**10,559**	**12,286**	**57,198**	**49,939**
Cars	34,062	32,838	148,208	124,826
Trucks	18,985	18,156	76,739	72,220
Imports	325	1,062	2,655	4,766
TOTAL BIG 5	**53,372**	**52,056**	**227,602**	**201,812**
OTHER TRUCK MAKERS*	**2,825**	**1,978**	**10,582**	**7,771**
TOTAL INDUSTRY	**56,197**	**54,034**	**238,184**	**209,583**

*Truckmakers Dina, Kenworth, Mexicana de Autobuses, Mercedes-Benz, Victor Patron and Trailers de Monterrey; includes tractor trailers and buses.
Source: Mexican Automotive Industry Association

MEXICO CAR AND TRUCK PRODUCTION

	April 1992	April 1991	4 mos. 1992	4 mos. 1991
Cars for Mexico	7,200	5,038	27,939	17,666
Cars for export	9,016	5,302	27,899	21,923
Trucks for Mexico	4,388	2,957	17,321	16,099
Trucks for export	2,179	619	9,293	1,804
CHRYSLER	**22,783**	**13,916**	**82,452**	**57,492**
Cars for Mexico	4,868	5,376	21,116	19,938
Cars for export	13,159	8,109	43,167	26,753
Trucks for Mexico	4,783	5,363	20,724	19,002
FORD	**22,810**	**18,848**	**85,007**	**65,693**
Cars for Mexico	5,198	3,676	19,246	12,341
Cars for export	5,385	7,596	22,333	21,609
Trucks for Mexico	6,216	6,449	24,768	22,821
GM	**16,799**	**17,721**	**66,347**	**56,771**
Cars for Mexico	6,494	7,271	28,874	27,376
Cars for export	995	1,641	6,277	4,969
Trucks for Mexico	2,352	2,978	11,395	11,213
Trucks for export	743	584	3,364	1,869
NISSAN	**10,584**	**12,474**	**49,910**	**45,427**
Cars for Mexico	9,601	11,875	51,470	46,259
Cars for export	3,206	4,906	19,075	18,054
Trucks for Mexico	1,111	936	5,183	3,610
VOLKSWAGEN	**13,918**	**17,717**	**75,728**	**67,923**
Cars for Mexico	33,361	33,236	148,645	123,580
Cars for export	31,761	27,554	118,751	93,308
Trucks for Mexico	18,850	18,683	79,391	72,745
Trucks for export	2,922	1,203	12,657	3,673
TOTAL BIG 5	**86,894**	**80,676**	**359,444**	**293,306**
Trucks for Mexico	2,503	2,117	7,208	6,156
Trucks for export	1,564	2,200	8,982	24,498
OTHER TRUCK MAKERS	**4,067**	**4,317**	**16,190**	**30,654**
TOTAL INDUSTRY	**90,961**	**84,993**	**375,634**	**323,960**

*Truckmakers Dina, Kenworth, Mexicana de Autobuses, Mercedes-Benz, Victor Patron and Trailers de Monterrey; includes tractor trailers and buses.
Source: Mexican Automotive Industry Association

LINKUPS

Big 3 consortium to research emissions

continued from PAGE 1

and buy an Infiniti J30 at $35,000, tear it to pieces and do a cost study?" he added.

The first vehicle being jointly torn down is the Renault Espace minivan. The work is being done in Warren, Mich., near the GM Technical Center, according to sources.

The emissions consortium will focus on developing technology to meet the stringent vehicle emissions standards adopted in California and under consideration in states throughout the country, according to sources familiar with the plan.

The U.S. government's blessing of the new partnership represents a big change in the government's attitude toward cooperation among U.S. automobile producers in recent years.

Japanese industry executives are likely to view the June 8 announcement as yet another indicator of the deepening cooperation among the Big 3 and between the U.S. auto industry and government.

Critics of U.S. trade practices such as Chrysler Chairman Lee Iacocca have long maintained that such cooperative efforts should be fostered in the United States just as they are in Japan.

The emissions technology consortium is being formed following 1990 amendments to the federal Clean Air Act which set varying deadlines for states to meet national air quality standards.

The toughest clean-air rules in the nation were adopted by California in September 1990. They now are being considered by a host of other states. Massachusetts and New York already have adopted the California program.

California's rules require automakers to meet progressively tighter emission standards by developing transitional low-emission vehicles, ultra-low emission vehicles and zero-emission vehicles.

For example, by 1998, 48 percent of the cars a manufacturer sells in California will have to meet federal standards. Another 48 percent have to be low-emission vehicles. Two percent must be ultra-low emission vehicles and 2 percent zero-emission vehicles.

The new emissions consortium will look at zero-emission vehicles and "everything from here to zero — TLEVS, LEVS, ULEVS," said a source familiar with the plans.

Beside the emissions consortium, the Big 3 have also formed:

- An automotive composites consortium
- An auto/oil quality improvement research program
- An advanced battery consortium
- An environmental research consortium
- A high-speed serial data communications research and development consortium
- A computer-aided design/computer-aided manufacturing consortium
- The U.S. council for automotive research
- A vehicle recycling consortium.

Calif. backs electric vehicle consortia

WILLIAM R. DIEM
Assistant Managing Editor

California keeps putting its money where its mouth is on electric cars.

Last week, the state pledged up to $2 million to back two consortia of businesses trying to establish an electric vehicle industry in California. One proposes a new automobile company. The other aims at buses, parts making and getting California ready for recharging.

"California is facing severe cutbacks in the defense industry," said Bob Aldrich, spokesman for the California Energy Commission. "A lot of those jobs are transferable into the electric vehicle industry. . . . Beating your swords into plowshares, so to speak."

The California consortia are trying to get a share of $12 million in grants being offered by the Federal Transit Administration for electric vehicle projects. The state grants are contingent on winning federal money.

Transit spokesman Richard Centner said enough proposals were received by the deadline to call the response encouraging, but he said they had not been counted or evaluated. The government expects to fund at least three proposals.

The California group proposing a new electric vehicle manufacturer is the California Electric Mobility Consortium. Solar Electric Engineering and General Electric are among the member companies.

Aldrich said the group has an $8.5 million proposal to develop and manufacture an original-equipment electric vehicle. It envisions a joint manufacturing venture with Los Angeles city and county as a "Rebuild L.A." effort. If it wins a federal grant, it could get $1.2 million in state grants.

The second consortium, CAL START, has almost $14 million from members including General Motors, Hughes Aircraft, major utilities and airports. It has asked for $4 million in federal money and $2 million from California. It has three principal programs:

- Construction of a functional prototype electric vehicle that would travel to world car shows, a $7.4 million plan.
- Demonstration of light-duty electric buses in service and a prototype medium-duty bus, a $4.3 million investment.
- A $5.7 million project aimed at preparing an infrastructure for electric vehicles. Consumers need to know "that there will be adequate and safe recharging, top-notch servicing, and environmentally responsible battery recycling," said Joshua Newman, a vice president of Amerigon Inc., a member of CAL START.

Newman said the consortium would proceed with its plans on a smaller scale even if it fails to win the federal and state money.

Staff Reporter Max Gates in Washington contributed to this report.

Chevy, Ford to battle at Detroit Grand Prix

ARLENA SAWYERS
Staff Reporter

Chevrolet and arch rival Ford Division will be trying to out-do one another in racing and hospitality when the 1992 ITT Automotive Detroit Grand Prix kicks into gear June 5-7.

Billed as a Chevy vs. Ford street-fight, the race has moved from the streets of downtown Detroit to a 2.1-mile circuit on an island in the Detroit River.

The race is the Big 3's annual opportunity to wine and dine dealers, executives and suppliers against a backdrop of high-powered race cars.

Ford, which has been out of the Championship Auto Racing Teams Series since 1971, is coming back in a big way. Ford will supply four cars and two teams with its new Ford-Cosworth XB V-8, a small but powerful high-tech engine designed and built for Ford by Cosworth Engineering.

Ford's engine most recently powered a car driven by Michael Andretti in the Indianapolis 500. Andretti, who led the race for 161 laps, lost his bid for the winner's trophy after the engine's fuel-pump belt broke.

Al Unser Jr., whose car was powered by a Chevrolet Indy V-8/A engine, won the race.

Kevin Kennedy, vice president of motorsports at Campbell & Co. in Dearborn, Mich., which represents Ford, said he doesn't believe the mishap hurt Ford's marketability as a maker of high-powered race engines.

It was the engine's fourth race.

Andretti's dominance of most of the race proves Ford is close to clinching a win, Kennedy said.

"Sure, it was disappointing," he admitted, "but our progress is unbelievable."

Chevrolet says it is looking forward to the competition provided by Ford.

"It will be a Chevy-Ford street fight," said Wally Reese, Chevrolet's Indy spokesman.

"We expected the competition to be better than it was the last year or two. When you beat yourself, it's like dancing with your sister. Having Ford come into it makes us work harder," he said.

Reese said Chevrolet's Indy V-8/A and V-8/B engines will power "about 15 or 16 cars and 12 or 13 teams" in the Detroit race.

Chevrolet has arranged for the new Indianapolis 500 winner and his team to visit General Motors factories and greet employees.

As the winner of the event, Chevrolet derived the ultimate promotional value of having 8 million to 9 million people view its success and infusing its entire division with "Chevy pride," Reese said.

Chevrolet will entertain guests in Detroit at trackside hospitality suites. The division also will tout its success in IndyCar racing by funneling information to about 1,000 U.S. publications.

Ford will provide the official truck for the Detroit race.

The division also will use the event as part of a sales incentive contest. Some 500 dealers and their spouses will get free trips to the festivities.

Local Ford dealers will get to sample the 14-turn track in Ford Mustangs during a "drive-away" Saturday.

Ford, in conjunction with First of America Bank, also will award a Mustang GT as one of 25 prizes to be given away to race-goers attending Friday's "Free Prix Day" events.

The IndyCar race, the 5th stop in the PPG IndyCar World Series, is scheduled for Sunday afternoon. Support races include the 9th annual Tide SCCA Trans-Am Race on Saturday and the Firestone Indy Lights Championship on Sunday morning. The Firestone Indy Lights Championship will feature cars powered exclusively by Buick 3800 V-6 engines.

Sponsor ITT Automotive Inc. of Auburn Hills, Mich., is an international supplier of components such as anti-lock brakes and shock absorbers.

What is quality?

KRISTINE STIVEN BREESE
Staff Reporter

LOS ANGELES — While quality has become an industry buzzword, the definition is still murky. Especially when automakers begin applying the word to things such as "quality customer service" and a "high-quality sales experience."

Quality surveys try to measure reliability and dependability. But even given those parameters, it's hard to reach a consensus.

Consumer Reports does extensive road testing and analyzes reader questionnaires to come up with its annual quality rankings. And in spite of all the empirical data he sees, Robert Knoll, the head of the group's auto division, says quality is still an elusive issue.

"Quality is like the Supreme Court's definition of 'obscenity,'" he says. "I can't tell you what it is, but I know it when I see it."

At DRI/McGraw-Hill, which studies perceptions of quality rather than quality itself, the story is similar.

"Consumers tell us that the quality is everything from the engine to the doorknobs," says Karen Mason, auto analyst at the firm's New York office. "If the engine is wonderful but the door knob falls off, it may as well have been engine failure for all the hassle and aggravation it is going to cause the customer.

"Consumers, not the industry, determine what quality means. And consumers have been spoiled by Japanese quality, so now it means something different than it did years ago. With the addition of Lexus and Infiniti, the benchmark was raised, and the definition changed again."

J. Ferron, partner at J.D. Power & Associates in Agoura Hills, Calif., says the definition of quality is changing because the definition of "problem" is changing. He says counting the number of problems per 100 cars is still a good way to measure quality. But the standards will evolve.

You can't "anticipate what a customer thinks is a problem," Ferron says. "Our surveys show that as engine problems decrease, people begin to notice wind noise and rattles more. Those become the new problems, and fixing those becomes the new way to achieve quality."

While there is general agreement that the focus on quality has been good for the industry, most analysts say that quality alone is not enough.

"I think quality is the Madonna of American management today. It's over-hyped and over-exposed," says Jeremy Anwyl, president of Marketec Systems of Santa Ana, Calif. "If manufacturers don't back up quality with customer satisfaction and the rest, they'll have nothing."

Chris Cedergren, senior vice president of AutoPacific Group Inc., also in Santa Ana, says that refinement is "the next frontier" of quality.

"Since quality is now the price of entry into the market, manufacturers are going to have to make sure that they're thinking about all the small things, all the intangibles," he says.

Cedergren says those include everything from the placement of switches and knobs and the choice of materials to the way customers are treated.

QUALITY

Survey shows Big 3 are closing the gap

continued from PAGE 1

search shows that the number of complaints reported for new cars fell 66 percent from 1980 to 1990.

■ Slowly but surely, the Big 3 are gaining on the Japanese, most surveys show. In an Easton Consultants Inc. index measuring repairs per vehicle, the Big 3 narrowed the quality gap against all imports to a 12.1 percent difference in 1991, from 20.5 percent in 1985.

Consumer Reports says that in 1980, Big 3 products had three times as many problems as those from Toyota, Honda and Nissan. Ten years later, the spread was 2.5 to one.

Power's latest IQS survey shows that the Big 3 narrowed the gap with Asian makes from 1991 to 1992. But since 1988, the Japanese have actually widened their lead. In 1988, the domestics recorded 18 more problems per 100 cars than the Asians. This year, despite a 22 percent improvement by the Big 3 over four years, the difference was 31 problems per 100.

John Casesa, auto analyst at Wertheim Schroeder & Co. in New York, says parity is still a few years off.

"Years ago, people thought the Japanese were so good that they couldn't get any better, but that just hasn't proven true," says Casesa. "The Japanese push the benchmark higher and higher. Of course, this makes it harder for the Big 3 to close the gap."

■ Japanese automakers — and the Big 3 for that matter — aren't a monolith. During the past six years, many of the smaller Japanese makes have fallen below average in Power's initial quality rankings for cars. A few Big 3 makes — primarily Buick and Lincoln — consistently have ranked above the average.

Mazda has been as high as seventh in Power's IQS, but this year it was ranked below average. Nissan was third in 1987, fell below average last year and climbed back to fifth place with its 1992 models.

Consumer Reports says that during the 1980s, a handful of Big 3 products — all big Fords — consistently had quality on par with the Japanese. They included the Lincoln Town Car and the Ford Crown Victoria/Mercury Grand Marquis.

"There's a lot more variance out there than people realize," says David Cole, director of the Office for the Study of Automotive Transportation at the University of Michigan.

"One misnomer is that the Japanese have led on every aspect of quality. On average, the best of the Japanese are still better than the best of the Americans, but that's about all you can say. All in all, I'd call it a wash."

That said, the best of the Japanese are formidable. In the latest IQS survey, the Japanese captured seven of the 12 positions above industry average, including the top five.

CONSISTENT WINNERS

Honda, Acura and Toyota have made the above-average list every year since the survey started. Lexus and Infiniti have made it in each of their three years on the market. No Big 3 make has made the cut all six years, and none has ever finished higher than fifth.

Japanese makes also dominate Power's Customer Satisfaction Index. In the 1991 survey, Japanese makes held eight of the 14 above-average spots, and five of the top six. In Power's Vehicle Performance Index, which measures operation, environment, cockpit and packaging after three years, Asians outscored domestics in every category. The gap was the greatest in the areas of vehicle operation and environment (temperature, sound system, etc.).

Power's 1991 Vehicle Dependability Index also was dominated by the Japanese, who had five of the 11 above-average spots. But the Big 3 were close behind with three.

Consumer Reports' annual auto issue is a showcase for the Japanese as well. In the current issue, 35 of the 63 vehicles on the recommended list are Japanese built, and five others come from joint ventures. *Consumer Reports* analyzes reader surveys and conducts a battery of tests on the track and the street.

DRAWBACKS TO RESEARCH

Quality research has its drawbacks. In Power's surveys, a stuck glove box is as much of a "problem" as a broken transmission. And what constitutes a defect or problem to one person may go unnoticed to another.

The owner of a $10,000 subcompact might not be bothered by a squeak, while the same noise might enrage the owner of a $40,000 luxury sedan. Conversely, some luxury car buyers might ignore small problems in order to convince themselves that they made a smart purchase.

The human element makes even the most empirical studies on quality somewhat subjective. And there is no easy way to separate actual quality from a consumer's perception of quality.

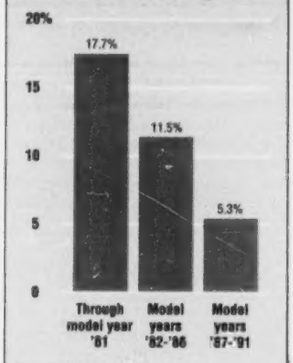
The Big 3 argue that they suffer because the perception of Japanese superiority is much greater than any actual differences. But the quality surveys, whatever their weaknesses, still show a considerable gap.

"What we haven't seen from the Big 3 is a sense of consistency. To get people back into the Big 3 products, they can't just be 'as good'," says Dave Andrea, senior research associate at the University of Michigan's Office for the Study of Automotive Transportation.

"They're fighting a perception battle as well as a product battle. They must be able to claim that they are better, and then be so consistently."

The Big 3 quality gap

Bars indicate the margin by which Big 3-built vehicles trail their competitors in 1990, based on an index of repair and maintenance events for all vehicles in each age class.



Source: Easton Consultants Inc.

CHARLOTTE WINTER / AUTOMOTIVE NEWS

PROBLEMS PER HUNDRED CARS, BY ORIGIN, 1987-1992

	1992	1991	1990	1989	1988	1987
Big 3	136	148	152	159	175	175
Asian	105	112	119	120	157	143
European	158	154	158	175	237	192

Source: J.D. Power and Associates Initial Quality Study

TOP 1992 LIGHT TRUCKS
Problems per 100 light trucks

Make	1992	1991
Toyota	76	103
Mitsubishi	109	107
Nissan	110	148
Geo	119	132
Mazda	119	128
Chevrolet	139	BA
Isuzu	145	BA
Industry Average	**147**	**155**

BA: Below average
Source: J.D. Power and Associates Initial Quality Study

TOP 10 1992 MODELS
Problems per 100 cars

Model	1992	1991
Lexus LS400	46	47
Toyota Cressida	49	80
Infiniti Q45	53	78
Olds Cutlass Ciera	70	90
Lexus SC300/SC400	72	—
Toyota Corolla	76	80
Buick Regal (sedan)	78	BA
Toyota Camry	84	68
Acura Legend	85	BA
Buick Century	85	91

BA: Below average
Source: J.D. Power and Associates Initial Quality Study

TOP 1992 MAKES
Problems per 100 cars

Make	1992	1991
Infiniti	70	89
Lexus	73	55
Toyota	85	82
Honda	105	100
Nissan	108	160
Saturn	109	151
Lincoln	114	115
Acura	115	109
Oldsmobile	121	122
Subaru	122	125
Audi	124	169
Buick	125	130
Industry Average	**125**	**141**

Source: J.D. Power and Associates Initial Quality Study; *USA Today* for 1991 scores below average

Surveys: who measures what

Here's how some quality surveys are created:

■ **J.D. Power and Associates**, of Agoura Hills, Calif., has several surveys that measure product quality at different times in a vehicle's life cycle. The Initial Quality Study measures quality after 90 days of ownership. Results for the 1992 model year came from questionnaires answered by 33,573 new car owners and 10,475 light truck owners. The response rate was 43 percent on cars and 41 percent on trucks.

Power's Customer Satisfaction Index measures overall satisfaction after one year. Quality accounts for about 25 percent of the score.

■ ***Consumer Reports*** measures vehicles in two ways. It buys each car tested and runs it for about 6,000 miles. The magazine also sends out hundreds of thousands of questionnaires to its readers. The responses are used to create frequency-of-repair charts. The editors' tests and the repair charts form the basis of an annual "recommended" list.

■ **Easton Consultants** of Hopkinton, Mass., tries to eliminate the "human bias" of surveys by measuring incidents of repair and maintenance. Easton buys the data from Industrial Market Research Inc., of Clarendon Hills, Ill. That firm collects information on more than 100,000 aftermarket service jobs each year and divides it into three categories: significant repairs, maintenance and do-it-yourself items. Easton uses that data to compare domestic and import products.

— Kristine Stiven Breese

Schweitzer succeeds Levy as Renault chief

DIANA T. KURYLKO
Staff Reporter

Louis Schweitzer, who as finance chief of Renault SA engineered the French carmaker's alliance with Sweden's AB Volvo, was appointed chairman last week to replace Raymond Levy, who retired May 25.

The appointment was expected. Schweitzer, 49, a career civil servant, was nominated by Levy and has the backing of Volvo and French President Francois Mitterrand.

Schweitzer: cut deal with Volvo

Schweitzer has been president and chief operating officer of Renault since 1990.

Analysts said the appointment guarantees a smooth transition at the helm of the state-controlled carmaker and underscores the possibility of an eventual full merger between Renault and Volvo. The companies swapped shares in a complex cross-holding agreement two years ago, giving Volvo a 20 percent stake in Renault.

Like Levy, Schweitzer came from the public sector with little experience in the automotive industry. But for the past three years, he has been under the wing of Levy and has helped engineer the major restructuring program that has improved Renault quality and regained market share.

He takes over a company that will have renewed most of its products by the end of 1993 and is in the black. For the first quarter, Renault turned a profit of $440 million on revenue of $8.8 billion.

Renault holds 10.8 percent of the European passenger-car market.

Schweitzer negotiated the deal that led to the partnership with Volvo. The companies have been cooperating on components and are said to be working on a joint car for the end of the decade.

Schweitzer began his career in 1970 as an inspector in the budget department of the French Finance Ministry, a post he held for nine years.

In 1986, he joined Renault at the request of then-chairman Georges Besse, who was assassinated later that year.

INCENTIVE WATCH— DEALER INCENTIVES

CONTINUING PROGRAMS

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

BUICK (1992 models, expires Aug. 12)

Regal	$1,500

CHEVROLET (1992 models, expires June 4)

Corvette ZR-1	$2,000
Other Corvette	$1,000

CHRYSLER CORP. (1991-92 models; expires June 30)

Chrysler Imperial, New Yorker Fifth Avenue and Salon	$1,000-2,000, based on number sold
Dodge Dynasty	$1,000-2,000, based on number sold
Stealth	0-$1,000, based on number sold
Jeep Cherokee	$750

ISUZU (expires June 30)

Impulse (1990-91)	$2,500
Impulse (1992)	$1,500
Impulse (1990-92, California and Southwest region)	$2,500
Stylus (1991)	$800-1,100
Stylus (1992)	$600-800
Stylus (1991, Calif.)	$800-2,000
Pickup (1990-92)	$500-1,500, based on number sold
Rodeo (1990-92)	$500-1,250, based on number sold
Trooper (1990-91)	$750

Dealer has the option of sharing rebate with buyer.

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MITSUBISHI (1991-92 models, expires July 6)

Mirage	$500-1,000, quota
Galant	$1,000-1,500, quota
Galant VR-4	$500-3,000, based on number sold

(Galant VR-4 payments are in addition to other Galant rebates.)

Eclipse	7% of sticker, starts with second sale
Pickup	$1,000-1,500, quota

NISSAN (1992 models, expires July 6)

Stanza	$1,500-2,000
240SX (exclude convertible)	$1,300
Maxima GXE	$1,000
Sentra	$700-1,000
Pickups	$1,000-1,750

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

PONTIAC (1992 models, expires June 4)

LeMans	$1,000

PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)

911 Carrera 2, 928	$9,500
911 Carrera 4	$13,500
911 Turbo	$14,000

SUBARU (expires June 2)

Legacy (1991)	$1,000
Legacy (1992)	
LS, LSi Sport Sedan	$500 or $1,500, depending on invoice date
All other	$1,000 or $1,500, depending on invoice date

SUZUKI (expires Aug. 3)

Swift (1992)	$400-700
Sidekick (1992)	$700-1,500
Swift (1991)	$700-1,000
Sidekick (1991)	$500-1,000

TOYOTA (expires June 2; 1991-92 models unless otherwise noted)

Corolla (1992)	$700-1,200, quota
Tercel	0-$500, quota
Pickups (non-base)	$400-1,000, quota
Pickups (base)	$700-1,300, quota

Camry Deluxe sedan (1992; area served by Gulf States Toyota)

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

Customer kills Cadillac salesman

PHIL FRAME
Staff Reporter

DETROIT — A disgruntled customer shot and killed the man who sold him a used Cadillac DeVille in January and then critically wounded the manager of the used car department before being subdued by other employees.

"The (suspect) pulled up in a Jeep Wagoneer, walked into the used car office and basically started firing," said Mark Dreisbach, president and general manager of Dreisbach & Sons Cadillac in northwest Detroit.

Used-car salesman Ray Waters, who Dreisbach said was 69, was shot in the head about 5:20 p.m. Thursday and died about four hours later at a hospital in Ann Arbor, Mich. Waters had worked for the dealership about 15 years, Dreisbach said.

John Joseph, the used-car department manager, was shot in the back and was listed in critical condition Friday morning at a hospital in Farmington Hills, Mich., a spokeswoman said. Joseph, 51, has worked at the dealership more than 20 years, Dreisbach said.

"There's a terrible pall here today, but also a strong sense of pride for the way my employees handled this," Dreisbach said Friday morning. He said assistant used-car manager Michael Boal wrestled the .38-caliber semiautomatic pistol from the suspect so no other employees could be harmed. Employees held the suspect until police arrived and took the assailant into custody.

Police sought murder warrants, but they had not been issued Friday morning, a police spokeswoman said.

Dreisbach said the suspect was a customer of Waters who in January bought a 1984 Sedan DeVille with 86,000 miles on it. The suspect's motive was unknown, but Dreisbach assumed the man was upset about a problem with the car, which was sold "as is" with no warranty.

Maserati may not import cars again in '92

JIM HENRY
Staff Reporter

NEW YORK — Maserati Automobiles Inc. didn't import a single car in 1991 and probably won't import any this year either, according to a report filed by parent company DeTomaso Industries.

This isn't the first time Maserati has sat out a model year in the United States. Maserati skipped 1988 because it couldn't meet U.S. requirements for passive restraints. The automaker also sat out 1981.

So for now, Maserati remains in hibernation, selling out of a small inventory until it can get a new model certified for the United States that might turn its fortunes around.

DeTomaso Industries, which owns about 42 percent of Maserati, posted a net loss of $13.2 million for the first quarter. Fiat Auto S.p.A. owns 49 percent of Maserati, and Chrysler Corp. owns about 8 percent.

Worldwide, Maserati sold 1,800 cars at the wholesale level in 1991, down 18.5 percent from 1990. The U.S. distributor sold 45 Maseratis in 1991, compared with 87 in 1990 and 213 in 1989, according to the firm's 10-K report, filed with the U.S. Securities and Exchange Commission.

George Garbutt, president of the Baltimore-based U.S. distributor, said Maserati Automobiles Inc. has an inventory of about 20 cars, including a few cars in his retail showroom. His staff is down to a dozen people from 20 in 1990.

Garbutt wouldn't say how many cars he has sold so far this year, except to say sales are no better than last year.

Maserati's sole model here is the Spyder convertible ($50,375 for the 1991 model), which has an exemption from the passive-restraint requirement. The new Shamal was expected to be a 1992 model for the U.S. market, but passive restraint requirements have been a hurdle on that car.

Maserati has about 20 U.S. dealers and another 20 service-only points.

INCENTIVE WATCH — CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.

Expires June 30. Finance rates in lieu of rebates are 0 to 9.9 percent.

1991-92 models

Chrysler Imperial, New Yorker Fifth Avenue	$1,500
N.Y. Salon, LeBaron sedan	$1,000
LeBaron coupe, conv. (1992)	$1,000
LeBaron coupe, conv. (1991)	$500
Dodge Monaco, Daytona (1991 only)	$1,500
Shadow, Dynasty, Spirit	$1,000
Colt 3-dr. (Northeast)	$700
Daytona (1992), Colt	$500
Dodge Ramcharger	$2,000
Ram pickup (gas)	$1,500
Ram wagon (van and conversion)	$1,000
Dakota	$750
Ram 50	$500
Eagle Premier	$1,500
Talon awd (1992)	$1,500
Other Talon (1991-92)	$1,000
Summit 4-dr. (1992)	$1,000
Other Summit (1991-92)	$500
Summit 3-dr., 4-dr. (Northeast)	$700
Jeep Cherokee	$1,500
Comanche	$750
Wrangler	$500
Plymouth Acclaim, Laser awd (1992)	$1,500
Other Laser (1991-92)	$1,000
Sundance	$1,000
Colt 3-dr., (Northeast)	$700
Colt, Colt Vista	$500
All minivans (Calif., Hawaii)	$1,000
All minivans (elsewhere)	$500

FORD MOTOR CO.

1993 models

Expires June 30. In lieu of rebates, 7.9 percent financing is available.

Ford Escort	$200-400
Mercury Tracer	$200

1992 models

Expires June 30. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Some rebates vary by regions.

Ford Probe	$1,500
Thunderbird Sport, SC (Calif. only)	$1,500
Taurus SHO	$1,000
Other Taurus, Mustang	$500-1,000
Escort	$400-1,000
Thunderbird, Tempo, Crown Victoria, Festiva	$500
Crown Victoria (expires Sept. 30) For owners of Ford Motor products	$1,000
Ford Bronco, Econoline (RV)	$1,000
Ranger	$750-1,000
Aerostar	$500-1,000
F series	$400
Lincoln (all)	$1,500
Mercury Sable	$500-1,000
Capri	$750
Tracer	$400-1,000
Topaz, Cougar, Grand Marquis	$500

1991 models

Expires June 30. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Some rebates vary by regions.

Ford Thunderbird, Probe	$1,500
Mustang	$1,000-1,500
Festiva	$1,000
Escort	$750
Taurus SHO	$600-1,000
Other Taurus	$400-1,000
Tempo	$400
Ford Bronco, Econoline E150 RV	$1,000
Aerostar	$400-1,000
Ranger, F series, other Econoline	$400
Mercury Capri	$2,000
Sable, Cougar	$1,500
Tracer	$750
Topaz	$400

GENERAL MOTORS

1992 models

Expires June 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.

Buick (based on option package ordered)	
Riviera	$2,000
Roadmaster	$1,000
Century, LeSabre	$250-1,250
Regal, Skylark	$500-1,250
Cadillac (expires June 30) DeVille, Brougham	$1,500
Chevrolet Geo Metro conv. (expires Sept. 23)	$1,000
Other Metro (expires Sept. 23)	$500
Geo Prizm (expires Sept. 23)	$1,000
Geo Storm (expires Sept. 23)	$750
Lumina	$750
Cavalier, Camaro, Corsica, Beretta, Caprice	$500
S/T Blazer	$1,500
G-Van (upfit)	$1,000
S/T pickup, Lumina APV	$750
Geo Tracker (expires Sept. 23)	$750-1,000
Other G-Van	$500
Astro	$500
C/K pickup (exclude Crew Cab)	$400
C/K pickup (extended cab)	$400
GMC S15 Jimmy (exc. Typhoon)	$1,000
Sonoma (exc. Syclone)	$750
Sierra (exclude Crew Cab)	$400
Safari	$500
G-Van	$500-1,000
Oldsmobile (regional) Toronado, Silhouette, Bravada	$1,000-2,000
Custom Cruiser	$1,000-1,500
Cutlass Ciera	$1,000
Cutlass Supreme	$750-1,500
Ninety Eight, Eighty Eight	$500-1,250
Pontiac Grand Prix, Trans Sport	$750
Sunbird, Grand Am, Firebird, Bonneville	$500

1991 models

Chevrolet Geo Storm (expires Sept. 23)	$750

HYUNDAI (expires June 2)

Excel (1991)	$1,200
Excel (1992)	$500-600
Elantra (1992)	$1,000
Scoupe (1991)	$1,000-1,500
Scoupe (1992)	$750
Sonata (1991)	$2,000
Sonata (1992)	$1,500

MAZDA (1992 models, expires July 6)

Protege, MX-6	$1,400
626	$1,200
Navajo	$500-1,500
Pickups	$500-1,400

Navajo and pickup rebates vary by model and region.

SUBARU (expires June 2)

Loyale (1991-92, fwd sedan, awd wagon)	$500

LUTZ
U.S. claws back at Japan

continued from PAGE 1

"Since economics continue to rise and material prices are going up and health care costs continue to rise, there will undoubtedly be some pricing by American producers," Lutz said. "But I believe that what pricing we do will be extremely modest."

Asked about Lutz's comment regarding a possible price increase, a General Motors spokesman said, "Our price increases in recent years have been modest. Our introductory passenger-car prices have been below the rate of inflation in nine of the last 10 years."

At the same time, GM has tried, where possible, to make "modest reductions" in per-unit incentives, the spokesman said. Ford Motor Co. declined comment.

In March and early April, seven Japanese automakers raised prices on 10 brands of cars sold in the United States. The hikes (by makes) ranged from $100 to $1,790 and averaged $441, or 2.8 percent, an *Automotive News* analysis found.

Raising car prices were Toyota Motor Sales U.S.A. Inc. (Toyota and Lexus); American Honda Motor Co. Inc. (Honda and Acura); Nissan Motor Corp. in U.S.A. (Nissan and Infiniti); Mitsubishi Motor Sales of America Inc.; Mazda Motor of America Inc.; Subaru of America Inc.; and American Suzuki Motor Corp.

Most of the importers blamed their hikes on the appreciation of the yen against the dollar. But many observers say the increases were a response to the deepening trade friction between the United States and Japan.

Lutz rejected the notion that the Japanese price hikes were designed to give American producers "a break." "It's because they are having to come to terms with their own profitability problems, particularly in this market," he asserted.

Lutz said the Big 3 can recoup market share as the Japanese deal with the economic pressures: "U.S. producers over the next three or four years might claw somewhere between one and three percent (percentage points) a year back from the Japanese," he predicted.

The Japanese share of the U.S. car and light-truck market in 1992 is down from one year ago. The Japanese makers held 24.0 percent of the market through May 20, 1992. Their share of the U.S. vehicle market for the first five months of 1991 was 25.3 percent.

The Japanese share in the United States will continue to erode because of the improved quality of domestic vehicles, Lutz said.

"When you have a bad quality reputation, it takes you about five years to overcome that problem," Lutz said of domestic producers. "We're 3½ years into that five-year process. The truth is gradually beginning to spread down to the mass of buyers that you can now buy an American car with confidence."

At the same time, U.S. makers are developing cars comparable to Japanese vehicles in ride, handling and "the way the whole car looks, feels and sounds," he said.

Lutz also said that Japan's current economic downturn will have little effect on the Big 3's effort to penetrate that market.

Said Lutz, "The penetration of the Japanese market is so difficult and that task is so long-term in nature that I don't see the current Japanese recession having much of an effect on it one way or the other."

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario	†	
FORD		
Michigan Truck (Wayne, Mich.)	**6/1**	**2,900**
Ford Bronco		
Ford F-series pickup		
GENERAL MOTORS		
Pontiac, Mich. (West)	**6/1**	
Chevrolet S10 pickup		2,100
GMC Sonoma		650
Chevrolet S10 Blazer		1,500
GMC S15 Jimmy		500
Total U.S. truck		**7,650**
Total units lost week of 6/1		**7,650**

†Plant closed for retooling until July 1992.
Source: Automotive News Data Center

Ford touts 'little things' for women

ARLENA SAWYERS
Staff Reporter

When the Women's Marketing Committee at Ford Motor Co. examined the 1993 Mercury Villager minivan, members found that high heels were likely to catch in the floor track on which the seat moves backward or forward.

So the engineers covered the track with a floor mat that must be picked up before the seat is moved.

"The little things have a lot to do with customer satisfaction," said Flora Brooks, a Ford systems and applications engineer.

Brooks was among the group of female Ford executives and engineers — some of whom are members of the 10-year-old committee — who gathered in Detroit last week to reiterate the company's commitment to women buyers.

The committee makes recommendations about the design and development of cars and light trucks, participates in static and driving evaluation of future products and is working with dealers to improve the vehicle sales and service experience for women.

Ford believes that women buyers are particularly interested in features that add safety, security, comfort and convenience.

Ford believes women will be particularly attracted to the Villager, which debuts June 15, and the redesigned 1993 Ford Probe, which arrives July 9.

Bobbie Koehler-Gaunt, Ford director of marketing research, said Ford expects half of the Villager buyers to be women. The company believes women will purchase 50 percent of the 1993 Probes, up from 40 percent for the 1992 model.

Although Ford says that safety is high on women buyers' list of concerns, the 1993 Villager does not have an airbag. The 1993 Probe has a driver-side airbag as standard equipment.

Mary Ann Wright, Ford model planning analyst, said the company originally planned to hold off on adding airbag to the Villager until 1996, but because of consumer demand, a driver-side airbag will be added in the 1994 model year.

She stressed that the Villager does have anti-lock brakes.

"We're not estimating any loss of sales" because of the missing airbag, she said. "People feel safe in the vehicle."

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the United States unless noted. Vehicles are cars unless noted.

	Est. 5/25-5/30/92	Actual 5/18-5/23/92	May Est.	Year 1/1-5/30/92	Year 1/1-6/1/91
LeBaron J	1,200	1,526	6,107	23,518	18,697
New Yorker	300	393	1,580	7,005	3,269
Fifth Avenue	850	1,079	4,297	14,301	13,076
Imperial	100	163	622	2,260	3,106
Town & Country (trk.)	250	348	1,485	6,033	1,415
Total Chrysler Div.	**2,700**	**3,509**	**14,091**	**53,117**	**39,563**
Sundance	1,000	1,329	5,930	23,851	16,586
Acclaim	1,400	1,743	6,751	32,612	34,151
Voyager (trk.)	1,650	2,153	8,945	39,396	36,628
Voyager (Can. trk.)	2,722	2,013	10,074	56,441	45,274
Total Plymouth	**6,772**	**7,238**	**31,781**	**152,390**	**132,639**
Daytona	250	348	1,443	5,241	4,936
Shadow	2,100	2,640	11,357	38,673	19,149
Dynasty	1,750	2,206	8,812	33,480	50,059
Spirit	1,350	1,697	6,916	30,526	30,478
Viper	0	1	14	31	0
Monaco (Can.)	0	0	0	0	2,548
Caravan (trk.)	2,100	2,558	11,326	51,440	45,729
Caravan (Can. trk.)	3,668	2,967	13,996	74,885	61,044
Caravan C/V (trk.)	50	45	249	1,289	1,856
Caravan C/V (Can. trk.)	210	215	840	3,686	11,519
Dakota (trk.)	2,800	3,484	13,179	55,535	32,764
Ram pickup (trk.)	850	1,144	4,873	25,585	32,715
Ram-wagon (Can. trk.)	556	468	2,145	10,449	9,044
Ram van (Can. trk.)	1,796	1,479	6,851	27,716	15,917
Total Dodge	**17,480**	**19,252**	**82,003**	**358,536**	**317,758**
Premier (Can.)	0	0	0	0	3,663
Cherokee (trk.)	2,800	3,634	13,653	59,885	48,539
Comanche (trk.)	0	1	49	915	2,225
Grand Cherokee (trk.)*	1,400	1,951	7,864	23,315	1,007
Briarwood (trk.)	0	0	0	325	1,215
Wrangler (Can trk.)	0	0	0	29,026	23,592
Total Jeep-Eagle	**4,200**	**5,586**	**21,566**	**113,466**	**80,241**
Total U.S. car	**10,300**	**13,125**	**53,829**	**211,498**	**193,567**
Total Can. car	**0**	**0**	**0**	**0**	**6,211**
Total U.S. truck	**11,900**	**15,318**	**61,624**	**263,718**	**204,093**
Total Can. truck	**8,952**	**7,142**	**33,907**	**282,203**	**166,390**
CHRYSLER CORP.	**31,152**	**35,585**	**149,361**	**677,419**	**570,291**
Escort	4,599	5,594	22,748	74,484	76,745
Mustang	2,250	2,850	11,309	39,539	32,155
Tempo	2,980	3,781	14,719	58,153	45,557
Tempo (Can.)	3,349	2,645	9,370	52,207	47,336
Taurus	8,102	10,190	39,255	163,284	139,061
Thunderbird	1,730	2,178	8,509	36,008	32,666
Crown Victoria (Can.)	2,794	2,151	10,489	44,837	37,791
Aerostar (trk.)	3,365	4,220	16,810	78,116	63,716
Bronco (trk.)	545	717	2,839	9,811	5,479
Explorer (trk.)	5,252	6,540	26,065	133,909	116,273
Mazda Navajo (trk.)	144	146	616	2,420	5,397
Econoline (trk.)	3,504	4,507	18,095	82,884	52,980
Heavy (trk.)	760	1,010	3,987	19,610	15,172
Light truck (trk.)	9,290	10,925	41,390	192,817	116,981
Light truck (Can. trk.)	3,046	2,456	11,639	61,588	39,987
Ranger (trk.)	6,680	8,438	33,866	129,680	106,074
Total Ford Division	**58,390**	**68,348**	**271,705**	**1,179,347**	**933,370**
Topaz	980	1,424	5,707	24,977	18,807
Topaz (Can.)	1,451	1,149	4,029	20,314	15,081
Cougar	1,155	1,445	5,966	25,801	24,531
Sable	2,302	2,912	11,351	53,224	44,414
Grand Marquis (Can.)	2,142	1,771	8,036	42,586	35,358
Mercury Villager (trk.)	219	240	826	1,075	0
Nissan Quest (trk.)	140	121	444	494	0
Total Mercury	**8,389**	**9,062**	**36,359**	**168,471**	**138,191**
Continental	672	846	3,326	16,544	24,434
Mark VII	0	0	0	2,375	4,279
Town Car	2,021	2,534	9,982	49,534	57,476
Total Lincoln	**2,693**	**3,380**	**13,308**	**68,453**	**86,189**
Total L-M Division	**11,082**	**12,442**	**49,667**	**236,924**	**224,380**
Total U.S. car	**26,791**	**33,754**	**132,872**	**543,923**	**500,125**
Total Can. car	**9,736**	**7,718**	**31,925**	**158,944**	**135,566**
Total U.S. truck	**29,899**	**36,964**	**144,937**	**658,816**	**482,072**
Total Can. truck	**3,046**	**2,456**	**11,639**	**61,588**	**39,987**
FORD MOTOR CO.	**69,472**	**80,790**	**321,372**	**1,416,271**	**1,157,750**
Skylark	1,556	1,456	4,442	25,759	159
Century	2,220	2,258	10,008	34,729	36,861
Regal (Can.)	2,250	2,250	10,002	39,329	46,830
Riviera	228	262	1,166	5,278	4,204
Park Avenue	1,206	1,514	6,147	27,680	42,773
LeSabre	3,366	4,175	16,467	65,464	34,603
Roadmaster sedan	729	884	3,569	19,232	0
Roadmaster wagon	160	200	812	5,378	9,891
Reatta	0	0	0	0	1,206
Total Buick	**11,715**	**12,999**	**52,615**	**222,840**	**178,527**
Eldorado	491	557	2,731	17,334	6,395
Seville	1,093	1,249	5,067	22,326	12,909
Brougham	0	0	0	2,170	8,609
DeVille	2,790	3,225	12,646	51,484	60,466
Allante	51	64	192	664	1,318
Total Cadillac	**4,425**	**5,095**	**20,635**	**93,978**	**89,697**
Cavalier	4,440	5,267	21,537	98,305	115,549
Camaro	1,547	1,572	6,826	28,380	19,769
Corsica-Beretta	3,840	4,530	19,719	86,808	105,654
Lumina (Can.)	5,600	5,592	24,862	98,274	89,091
Caprice	2,875	3,489	12,588	45,836	58,976
Corvette	564	581	2,723	8,915	9,962
Astro (trk.)	2,370	3,045	11,978	65,623	41,443
Blazer (trk.)	612	555	2,541	9,876	3,254
Lumina APV (trk.)	790	981	4,212	19,185	16,199
Mediums (trk.)	185	215	921	2,683	1,473
P-model (trk.)	564	676	2,739	9,992	6,785
Pickup (trk.)	5,297	6,304	26,126	113,252	105,046
Pickup (Can. trk.)	3,300	3,350	14,297	81,433	57,221
S10 (trk.)	3,770	3,775	17,077	78,611	107,873
S10 Blazer (trk.)	2,141	3,168	11,200	55,889	18,301
Sportsvan (trk.)	0	0	0	11,405	17,676
Sportsvan (Can. trk.)	1,460	1,458	6,410	31,626	21,891
Suburban (trk.)	1,392	1,247	5,454	20,714	10,539
Total Chevrolet	**48,747**	**45,905**	**191,210**	**866,887**	**805,782**
Achieva/Calais	2,330	2,345	10,900	52,486	34,616
Cutlass Ciera	3,099	3,163	13,863	55,767	32,339
Cutlass Ciera (Can.)	0	0	0	0	28,544
Cutlass Supreme	1,890	2,400	9,405	34,529	44,876
Toronado	75	85	367	2,810	2,778
Eighty Eight	1,162	1,460	6,051	33,499	25,153
Custom Cruiser wag.	32	41	167	1,806	4,498
Ninety Eight	828	965	3,748	14,832	31,830
Silhouette (trk.)	412	520	2,035	7,259	8,332
Bravada (trk.)	273	425	1,357	6,427	7,904
Total Oldsmobile	**10,101**	**11,404**	**47,893**	**209,415**	**229,870**
Sunbird	1,792	2,037	8,705	41,321	52,907
Grand Am	4,888	5,669	24,410	104,120	87,060
Firebird	691	749	3,158	10,789	6,435
Grand Prix	2,153	2,639	10,716	46,830	41,554
Pontiac 6000	0	0	0	0	15,244
Bonneville	2,110	2,635	10,520	44,624	21,432
Trans Sport (trk.)	1,066	1,346	5,169	15,508	10,382
Total Pontiac	**12,700**	**15,075**	**62,679**	**263,192**	**235,014**
Yukon-Jimmy (trk.)	192	183	843	3,089	944
Medium (trk.)	286	371	1,403	10,339	3,541
P-model (trk.)	45	46	178	1,016	1,312
Pickup (trk.)	2,107	2,965	10,867	44,628	47,119
Pickup (Can. trk.)	1,080	1,077	4,937	29,563	22,605
Syclone-Sonoma (trk.)	904	1,541	5,714	20,798	23,610
Typhoon-S15 Jimmy (trk.)	786	652	4,437	17,870	5,899
Safari (trk.)	1,198	1,437	5,453	27,332	17,017
Suburban (trk.)	844	813	3,442	13,214	10,373
Vandura (trk.)	0	0	0	5,803	8,401
Vandura (Can. trk.)	570	569	2,374	15,024	8,989
Total GMC	**8,012**	**9,854**	**39,647**	**188,676**	**149,810**
Total Saturn*	**3,700**	**4,638**	**18,516**	**80,893**	**29,789**
Total U.S. car	**51,906**	**60,201**	**247,167**	**1,070,648**	**956,815**
Total Can. car	**7,850**	**7,842**	**34,865**	**137,603**	**166,465**
Total U.S. truck	**25,234**	**30,265**	**123,144**	**566,513**	**473,423**
Total Can. truck	**6,410**	**6,454**	**28,819**	**157,646**	**118,706**
GENERAL MOTORS	**91,400**	**104,762**	**433,195**	**1,925,810**	**1,707,409**
Can. car	2,250	2,250	9,530	47,762	53,188
Can. trk.	1,300	1,350	5,636	29,428	23,535
CAMI †	**3,550**	**3,600**	**15,166**	**77,190**	**76,823**
DIAMOND-STAR*	**2,680**	**3,401**	**12,254**	**67,268**	**66,591**
Civic*	1,720	2,149	8,681	40,522	38,973
Civic (Can.)	2,164	1,694	8,643	47,249	46,124
Accord	6,205	7,847	31,091	164,308	153,314
Total U.S. car	**7,925**	**9,996**	**39,773**	**204,830**	**192,287**
Total Can. car	**2,164**	**1,694**	**8,643**	**47,249**	**46,124**
HONDA	**10,089**	**11,690**	**48,416**	**252,079**	**238,411**
HYUNDAI Sonata (Can.)*	**150**	**150**	**710**	**5,757**	**13,907**
MAZDA*	**2,594**	**2,900**	**11,431**	**32,366**	**63,049**
U.S. trk.	1,268	1,535	4,651	27,522	31,974
Can. trk.	205	157	775	3,537	3,156
NAVISTAR	**1,473**	**1,692**	**5,426**	**31,059**	**35,130**
Sentra	2,297	2,442	9,712	56,258	59,048
Pickup (trk.)	2,760	2,875	11,407	58,466	57,902
NISSAN	**5,057**	**5,317**	**21,119**	**114,724**	**116,950**
Geo Prizm	1,200	1,606	7,086	37,796	43,253
Toyota Corolla	1,900	2,544	8,956	49,329	44,749
Toyota Pickup (trk.)	1,160	1,649	5,953	20,534	0
NUMMI	**4,260**	**5,799**	**21,995**	**107,659**	**88,002**
Legacy	943	1,173	4,726	24,928	23,930
Pickup (trk.)	370	439	1,805	9,626	0
Rodeo (trk.)	692	809	3,376	17,134	0
Total U.S. car	**943**	**1,173**	**4,726**	**24,928**	**23,930**
Total U.S. trk.	**1,062**	**1,248**	**5,181**	**26,760**	**21,137**
SUBARU-ISUZU	**2,005**	**2,421**	**9,906**	**51,688**	**45,067**
Camry	3,840	4,609	19,686	99,645	94,209
Corolla (Can.)	1,500	1,215	6,048	31,277	29,231
TOYOTA	**5,340**	**5,824**	**25,734**	**130,922**	**123,440**
VOLVO 740, 940 (Can.)	**150**	**128**	**575**	**2,913**	**3,742**
AM GENERAL (trk.)	**300**	**375**	**1,500**	**7,800**	**8,850**
MISCELLANEOUS (trk.)**	**1,920**	**2,400**	**9,600**	**49,920**	**58,120**
Total U.S. car	**112,376**	**135,751**	**547,492**	**2,397,889**	**2,237,563**
Total Canada car	**23,800**	**29,987**	**92,295**	**432,505**	**454,434**
Total U.S.-Canada Car	**136,176**	**158,738**	**639,787**	**2,830,394**	**2,691,997**
Total U.S. truck	**75,503**	**92,529**	**367,996**	**1,666,049**	**1,337,571**
Total Canada truck	**19,913**	**17,559**	**79,977**	**454,402**	**343,874**
Total U.S.-Canada truck	**95,416**	**110,088**	**447,973**	**2,120,451**	**1,681,445**
TOTAL U.S.	**187,879**	**228,280**	**915,488**	**4,063,938**	**3,575,134**
TOTAL CANADA	**43,713**	**38,546**	**172,272**	**886,907**	**798,308**
TOTAL U.S.-CANADA CAR & TRUCK	**231,592**	**266,826**	**1,087,760**	**4,950,845**	**4,373,442**

*Estimate
*1991 figures reflect Grand Wagoneer production.
†CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.
**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.
Source: Automotive News Data Center.

Overtime high after holiday

ANNE E. WRIGHT
Chief Statistician

With 20 Big 3 plants working daily or Saturday overtime, car and truck production in the United States last week rose 20.2 percent over the year-ago week, which also included Memorial Day.

Last year, three plants were down for model changeover, and three were idle due to slow sales and high inventories.

Car production in the United States was estimated at 112,376 last week, 17.2 percent below the prior five-day week and 25.3 percent above the year-ago week.

Year-to-date U.S. car production is 2,397,889, up 7.2 percent over the same point last year.

U.S. truck production was estimated at 75,503 last week, a drop of 18.4 percent from the prior week and an increase of 13.4 percent over the year-ago week.

U.S. truck production so far this year is 1,666,049, up 24.6 percent from 1991.

In Canada, car producers estimated output at 23,800 last week, up 13.4 percent over the prior week, which included the Victoria Day holiday. Output was down 9.2 percent from last year.

So far in 1992, Canadian car production is 432,505, down 4.8 from the same point in 1991.

Truck production in Canada was estimated at 19,913 last week, 13.4 percent above the prior week and 4.4 percent above the same week last year.

Year-to-date truck production in Canada is 454,402, up 32.1 percent from the 1991 period.

The estimated daily-build rate of cars and trucks produced in the United States and Canada was 57,898 last week, up 8.5 percent over the prior week and 14.9 percent more than in 1991.

Seven of Chrysler's U.S. assembly plants are scheduled for overtime this week. The Dodge City (Warren, Mich.); St. Louis (No. 2); Jefferson North (Detroit); and Sterling Heights, Mich., facilities worked Saturday overtime last week and will work daily overtime this week. The Belvidere, Ill.; Newark, Del.; and Toledo, Ohio, plants are scheduled for daily overtime this week.

The company ran Saturday overtime at the Windsor, Ontario; and Pillette Road (Windsor, Ontario) truck plants last week.

GM worked Saturday overtime last week at truck plants in Oshawa, Ontario; Scarborough, Ontario; Detroit; Moraine, Ohio; and Janesville, Wis., and at car plants in Bowling Green, Ky.; Oklahoma City; and Van Nuys, Calif.

Ford Motor Co. scheduled daily overtime last week at the Atlanta; Chicago; and St. Thomas, Ontario, car plants and at the Twin Cities, (St. Paul, Minn.); Edison, N.J.; Louisville, Ky.; and St. Louis truck plants.

The Kansas City, Mo., car and truck facilities worked daily overtime last week. The truck line also worked Saturday.